
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 16, 2014 (October 16, 2014)

Newcastle Investment Corp.

(Exact Name of Registrant as Specified in Charter)

**Maryland
(State or other jurisdiction
of incorporation)**

**001-31458
Commission
File Number**

**81-0559116
(I.R.S. Employer
Identification No.)**

**1345 Avenue of the Americas, 46th Floor
New York, New York**

**10105
(Zip Code)**

**(212) 798-6100
(Registrant's telephone number, including area code)**

**Not Applicable
(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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Item 1.01. Entry into a Material Definitive Agreement.

Separation and Distribution Agreement

On October 16, 2014, Newcastle Investment Corp. (“Newcastle”) issued a press release announcing that its Board of Directors has set a record date of 5:00 p.m., Eastern Time, on October 27, 2014 (the “Record Date”) for the previously announced spin-off of New Senior Investment Group Inc., a wholly owned subsidiary of Newcastle (“New Senior”). Newcastle will distribute one share of New Senior common stock for each share of Newcastle common stock held by Newcastle stockholders of record as of the Record Date, after giving effect to a one-for-two reverse stock split of Newcastle common stock prior to the distribution of New Senior common stock (the “Distribution”). The Distribution is expected to occur on or about November 6, 2014. The Distribution remains subject to the Securities and Exchange Commission declaring effective New Senior’s registration statement on Form 10 (the “Registration Statement”), which Newcastle expects to occur in the coming days.

In connection with the formal declaration of the distribution, on October 16, 2014, Newcastle entered into a Separation and Distribution Agreement (the “Separation Agreement”) with New Senior which sets forth agreements between Newcastle and New Senior regarding the principal transactions necessary to effect their separation into two independent, publicly-traded real estate investment trusts (“REIT”). Set forth below is a summary of the material terms contained in the Separation Agreement. For the purposes of this summary, (i) the “New Senior Group” means New Senior and its subsidiaries and (ii) the “Newcastle Group” means Newcastle and its subsidiaries other than the New Senior Group.

Transfer of Assets and Assumption of Liabilities. The Separation Agreement identifies the assets and liabilities to be retained by, transferred to, assumed by, or assigned to, as the case may be, each of Newcastle and New Senior as part of the separation of Newcastle into two companies and provides a framework for such transfers, assumptions and assignments to occur (to the extent such transfers, assumptions and assignments do not occur prior to the execution of the Separation Agreement). In particular, the Separation Agreement provides that, subject to the terms and conditions contained in such agreement, immediately prior to the time of effectiveness of the Separation Agreement, Newcastle and New Senior will take all actions necessary so that the New Senior Group will: (a) own, to the extent it does not already own, all of Newcastle’s senior housing properties and cash in the amount of approximately \$243 million; and (b) assume, to the extent it is not already liable for: (i) any liabilities relating to or arising out of the assets described under clause (a) above (the “Initial Portfolio”) whether arising prior to, at the time of, or after, the effectiveness of the Separation Agreement; (ii) any liabilities arising out of claims by our directors, officers and affiliates arising after the time of effectiveness of the Separation Agreement against either Newcastle or New Senior to the extent they relate to the Initial Portfolio as of the date of the Separation Agreement; and (iii) any other potential liabilities related to (A) recent Newcastle equity offerings in certain specified percentages as disclosed in the Separation Agreement, (B) Newcastle’s reports required to be filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), relating to disclosures about the Initial Portfolio and (C) indemnification obligations under the Management Agreement (as defined below) with respect to the Initial Portfolio. Except as otherwise provided in the Separation Agreement, Newcastle will retain all other assets and liabilities.

Except as may expressly be set forth in the Separation Agreement or any ancillary agreement, all assets will be transferred on an “as is, where is” basis without representation or warranty. Certain of the liabilities and obligations to be assumed by one party or for which one party will have an indemnification obligation under the Separation Agreement are, and following the separation may continue to be, the legal or contractual liabilities or obligations of another party. Each such party that continues to be subject to such legal or contractual liability or obligation will rely on the applicable party that assumed the liability or obligation or the applicable party that undertook an indemnification obligation with respect to the liability or obligation, as applicable, under the Separation Agreement, to satisfy the performance and payment obligations or indemnification obligations with respect to such legal or contractual liability or obligation.

Further Assurances. Each of Newcastle and New Senior will cooperate with the other and use commercially reasonable efforts, prior to, on and after the date of the Distribution, to take promptly, or cause to be taken promptly, all actions and to do promptly, or cause to be done promptly, all things reasonably necessary, proper or advisable on its part to consummate and make effective the transactions contemplated by, and the intent and purposes of, the Separation Agreement. In addition, neither party will, nor will either party allow its respective subsidiaries to, without the prior consent of the other party, take any action which would reasonably be expected to prevent or materially impede, interfere with or delay the transactions contemplated by the Separation Agreement and the ancillary agreements thereto, if any. Both parties will also use commercially reasonable efforts to cause third parties, such as insurers or trustees, to fulfill any obligations they are required to fulfill under the Separation Agreement.

The Distribution. Pursuant to the Separation Agreement, New Senior will issue to Newcastle, as a stock dividend, the number of shares of New Senior common stock needed to effectuate the Distribution. Newcastle will cause its agents to distribute to Newcastle stockholders that hold shares of Newcastle common stock as of the Record Date all the shares of New Senior common stock on a pro rata basis. Additionally, the Separation Agreement provides that the Distribution is subject to several conditions that must be satisfied or waived by Newcastle in its sole and absolute discretion, on or before the date of the Distribution.

Termination of Other Agreement Arrangements; Bank Accounts. The Separation Agreement provides that, subject to certain exceptions set forth in such agreement, all prior agreements and arrangements entered into prior to the date of the Distribution, whether written or not, between any member of the Newcastle Group on the one hand, and any member of the New Senior Group on the other hand (except to the extent any person that is not a member of the New Senior Group or Newcastle Group is also a party to such agreements or arrangements), will be terminated and will cease to be of further force and effect as of the time of effectiveness of the Separation Agreement. At the time of such termination, all parties will be released from liability under such agreements and arrangements, other than with respect to the settlement of intercompany accounts, which will be satisfied and/or settled in full in cash or otherwise cancelled and terminated or extinguished by the relevant members of the New Senior Group or Newcastle Group prior to the time of effectiveness of the Separation Agreement.

Releases and Indemnification. Subject to certain exceptions, including with respect to liabilities assumed by, or allocated to, Newcastle or New Senior, the Separation Agreement provides that Newcastle and New Senior will generally agree to release each other from all liabilities existing or arising from acts or events prior to the date of the Distribution.

In addition, the Separation Agreement provides that, except as otherwise provided for in other documents related to the separation, New Senior will indemnify Newcastle and its affiliates and representatives against losses arising from: (i) any liabilities relating to the Initial Portfolio, whether arising prior to, at the time of, or after, the effectiveness of the Distribution; (ii) any liabilities arising out of claims by our directors, officers and affiliates arising after the time of effectiveness of the Distribution against either Newcastle or New Senior to the extent they relate to the assets described Initial Portfolio as of the date of the Separation Agreement; (iii) any other potential liabilities related to (A) recent Newcastle equity offerings in certain specified percentages as disclosed in the Separation Agreement; (B) Newcastle's reports required to be filed under the Exchange Act relating to disclosures about the Initial Portfolio; and (C) indemnification obligations under the Management Agreement with respect to the Initial Portfolio; (iv) any failure by any member of the New Senior Group or any other person to pay, perform or otherwise promptly discharge any liability listed under clauses (i)-(iii) above in accordance with their respective terms, whether prior to, at or after the time of effectiveness of the Separation Agreement; (v) any breach by any member of the New Senior Group of any provision of the Separation Agreement and any agreements ancillary thereto (if any), subject to any limitations of liability provisions and other provisions applicable to any such breach set forth therein; and (vi) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in New Senior's information statement or the Registration Statement of which the information statement is a part other than information that relates solely to any assets owned, directly or indirectly by Newcastle, excluding the assets described in the Initial Portfolio.

Newcastle shall indemnify New Senior and its affiliates and representatives against losses arising from (i) any liability related to Newcastle's junior subordinated notes due 2035 issued pursuant to the Junior Subordinated Indenture, dated April 30, 2009, between Newcastle and The Bank of New York Mellon Trust Company, National Association, (ii) any other liability of Newcastle or its subsidiaries (excluding any liabilities related to New Senior), (iii) any failure of any member of the Newcastle Group or any other person to pay, perform or otherwise promptly discharge any liability listed under clauses (i) and (ii) above in accordance with their respective terms, whether prior to, at or after the time of effectiveness of the Separation Agreement, (iv) any breach by any member of the Newcastle Group of any provision of the Separation Agreement and any agreements ancillary thereto (if any), subject to any limitations of liability provisions and other provisions applicable to any such breach set forth therein and (v) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in New Senior's information statement or the Registration Statement of which the information statement is a part that relates solely to any assets owned, directly or indirectly by Newcastle, other than the assets described in the Initial Portfolio.

Indemnification obligations will generally be net of any insurance proceeds actually received by the indemnified person. The Separation Agreement provides that Newcastle and New Senior will waive any right to special, indirect, punitive, consequential, exemplary, remote, speculative or similar damages in excess of compensatory damages provided that any such liabilities with respect to third party claims shall be considered direct damages. The Separation Agreement also contains customary procedures relating to the receipt of any indemnification payments that may constitute non-qualifying REIT income.

Competition. The Separation Agreement does not include any non-competition or other similar restrictive arrangements with respect to the range of business activities that may be conducted, or investments that may be made, by either the Newcastle Group or the New Senior Group. Pursuant to the Separation Agreement, each party has agreed that nothing set forth in such agreement shall be construed to create any restriction or other limitation on the ability of any of the Newcastle Group or New Senior Group to engage in any business or other activity that overlaps or competes with the business of any other party, including investing in senior housing properties.

Certain Tax-Related Covenants. If New Senior is treated as a successor to Newcastle under applicable U.S. federal income tax rules, and if Newcastle fails to qualify as a REIT, New Senior could be prohibited from electing to be a REIT. Accordingly, in the Separation Agreement, Newcastle has (i) represented that it has no knowledge of any fact or circumstance that would cause New Senior to fail to qualify as a REIT, including a failure to qualify as a REIT due to Newcastle's failure to maintain REIT status, (ii) covenanted to use commercially reasonable efforts to cooperate with New Senior as necessary to enable New Senior to qualify for taxation as a REIT and receive customary legal opinions concerning REIT status, including providing information and representations to New Senior and its tax counsel with respect to the composition of Newcastle's income and assets, the composition of its stockholders and its operation as a REIT and (iii) covenanted to use its reasonable best efforts to maintain its REIT status for each of Newcastle's taxable years ending on or before December 31, 2015 (unless Newcastle obtains an opinion from a nationally recognized tax counsel or a private letter ruling from the Internal Revenue Service to the effect that Newcastle's failure to maintain its REIT status will not cause New Senior to fail to qualify as a REIT under the successor REIT rule referred to above). Additionally, in the Separation Agreement, New Senior covenanted to use its reasonable best efforts to qualify for taxation as a REIT for its taxable year ending December 31, 2014.

Insurance. Following the date of the Distribution, Newcastle shall maintain its currently existing insurance policies related to director and officer liability (the "Newcastle D&O Policies"). Prior to the date of the Distribution, the Separation Agreement provides that Newcastle and New Senior will use commercially reasonable efforts to obtain separate insurance policies for New Senior on substantially similar terms as the Newcastle D&O Policies prior to the Distribution. New Senior will be responsible for all premiums, costs and fees associated with any new insurance policies placed for the benefit of New Senior.

Dispute Resolution. In the event of any dispute arising out of the Separation Agreement, the parties, each having designated a representative for such purpose, will negotiate in good faith for 30 days to resolve any disputes between the parties. If the parties are unable to resolve disputes in this manner within 30 days, the disputes will be resolved, at the request of either party, through binding arbitration.

Equitable Adjustment of Options. Pursuant to the Separation Agreement, each right relating to shares of Newcastle common stock (the "Newcastle option") that was held as of the date of the Distribution by FIG LLC (the "Manager") or by the directors, officers, employees, service providers, consultants or advisors of the Manager will be converted into an adjusted Newcastle option and a right relating to a number of shares of New Senior common stock (the "New Senior option"). The exercise price of each adjusted Newcastle option and New Senior option will be set to collectively maintain the intrinsic value of the Newcastle option immediately prior to the Distribution and to maintain the ratio of the exercise price of the adjusted Newcastle option and the New Senior option, respectively, to the fair market value of the underlying shares as of the Distribution. The terms and conditions applicable to each New Senior option will be substantially similar to the terms and condition otherwise applicable to the Newcastle option as of the date of Distribution.

Item 8.01. Other Events.

The information set forth in Item 1.01 above under the caption "Separation and Distribution Agreement" is incorporated by reference herein. A copy of the press release is attached as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated October 16, 2014.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: October 16, 2014

Newcastle Investment Corp.

By: /s/ Justine A. Cheng

Name: Justine A. Cheng

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit
Number
99.1

Description
Press Release, dated October 16, 2014.



**Newcastle Announces Details for Completion of New Senior Spin-Off
and Investor Call on October 17, 2014 at 8:30 AM ET**

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. ("Newcastle"; NYSE: NCT) announced today that its Board of Directors has approved the details and timing of the spin-off of its senior living business. The spin-off will establish the senior living business as an independent, publicly traded real estate investment trust called New Senior Investment Group Inc. ("New Senior").

The spin-off will be effected as a distribution of all of the outstanding shares of common stock of New Senior, which is currently wholly owned by Newcastle, to the holders of Newcastle common stock as of the record date. The distribution will occur on November 6, 2014, subject to the conditions noted below, and the record date is October 27, 2014.

In connection with the spin-off, Newcastle's Board of Directors has approved a 1-for-2 reverse stock split of the outstanding shares of Newcastle's common stock, and the distribution ratio for the spin-off will be based on the number of Newcastle shares outstanding after the reverse stock split. Newcastle will then distribute one share of New Senior common stock for each outstanding share of Newcastle common stock. The value of any fractional shares resulting from the reverse stock split will be paid out in cash.

It is expected that shares of Newcastle common stock will begin trading on a split-adjusted basis on October 23, 2014. In addition, The New York Stock Exchange ("NYSE") has informed Newcastle that on October 27, 2014 through November 6, 2014, it will establish three trading markets related to the spin-off:

- In the "when issued" market (NYSE: SNR WI), New Senior shares will trade, subject to settlement after the distribution
- In the "ex-distribution" market (NYSE: NCT WI), Newcastle shares will trade on a split-adjusted basis excluding the right to the distribution of New Senior shares
- In the "regular way" market (NYSE: NCT), Newcastle shares will trade on a split-adjusted basis including the right to the distribution of New Senior shares

On the first trading day following the distribution, November 7, 2014, New Senior will begin regular-way trading on the NYSE under the ticker symbol "SNR," and Newcastle will resume trading ex-distribution under the ticker symbol "NCT".

Newcastle shareholders are not required to take any action to receive the New Senior shares. Record holders whose Newcastle shares are registered directly with American Stock Transfer & Trust Company, LLC will receive a book-entry account statement for the New Senior shares. Record holders whose Newcastle shares are held in an account at a brokerage firm or similar organization will have the New Senior shares credited to their accounts. Physical share certificates will not be distributed.

A registration statement on Form 10 relating to the shares of New Senior common stock has been filed with the Securities and Exchange Commission (the "SEC") but has not yet become effective. The shares of New Senior common stock may not be distributed prior to the time the registration statement becomes effective, which Newcastle expects to occur in the coming days. The distribution is also subject to the satisfaction or waiver of certain other conditions described in the registration statement. A copy of the information statement included as an exhibit to the registration statement may be obtained from New Senior Investment Group Inc., Attention: Investor Relations, 1345 Avenue of the Americas, New York, New York 10105, Tel: 212-479-3140.

Investors are encouraged to consult with their financial advisors regarding the specific implications of buying or selling shares of Newcastle common stock before or on the distribution date.

Investor Call

Newcastle will host an investor call tomorrow, October 17, 2014, at 8:30 A.M. Eastern Time. On the call, management will provide an update in connection with the spin-off of New Senior. Newcastle intends to post a presentation on its website, www.newcastleinv.com, in advance of the call.

All interested parties are welcome to participate on the live call. The conference call may be accessed by dialing 1-888-243-2046 (from within the U.S.) or 1-706-679-1533 (from outside of the U.S.) ten minutes prior to the scheduled start of the call; please reference "Newcastle Investor Update Call."

A telephonic replay of the conference call will also be available approximately two hours following the completion of the call through 11:59 P.M. Eastern Time on October 31, 2014 by dialing 1-855-859-2056 (from within the U.S.) or 1-404-537-3406 (from outside of the U.S.); please reference access code "19856733".

About Newcastle

Newcastle focuses on investing in, and actively managing, real estate related assets. Newcastle conducts its operations to qualify as an REIT for federal income tax purposes. Newcastle is managed by an affiliate of Fortress Investment Group LLC, a global investment management firm.

FORWARD-LOOKING STATEMENTS

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, Newcastle's expectations regarding the completion of the spin-off, the timing of the distribution of New Senior shares, the declaration of effectiveness by the SEC of New Senior's registration statement and the establishment of when-issued and ex-distribution trading markets for New Senior and Newcastle shares, respectively. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. Newcastle can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from Newcastle's expectations include, but are not limited to, the risk that the SEC does not declare the registration statement effective on the anticipated timeframe or at all, the risk that other conditions to the completion of the spin-off, as described in the registration statement filed by New Senior with the SEC, are not satisfied or waived and the risk that the spin-off cannot be completed for any other reason. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see each company's filings with the SEC and particularly the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in New Senior's registration statement on Form 10, which is available on the SEC website (www.sec.gov), and Newcastle's Annual Report on Form 10-K, which is available on Newcastle's website (www.newcastleinv.com). Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for Newcastle to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. Newcastle and New Senior each expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Newcastle Investment Corp.
Investor Relations
212-479-3195
